

1411

SUBJECT Cal Fed Commentary

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I just have a simple comment on a minor point in the document.

The document emphasizes the implementation of cost-effective conservation efforts.

This is a sensible theoretical idea. But the current trend in calculating cost-effectiveness is to compare the cost of implementation to the current cost of water, as though the individual water agency or farm would pay for it.

Since conservation and reclamation are just two forms of water supply augmentation, their costs should be compared to costs of the other augmentation options, be it dams, reservoirs, aqueducts etc. - features that are typically funded by the state.

Without getting into the details of how to calculate the cost of an alternative such as a dam, it would be helpful if CalFed would clarify this standard of comparison and possibly offer tentative figures for the cost of a sample dam so that conservation options can be more realistically considered.

For example, one could say a heck of a lot of money is spent on the price of a dam, but the current methodology of calculation does not make that comparison.

That's all. Thank you.